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SALLY J. PEDERSON
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July 28, 2006

Senator Tom Courtney, Co-chair
Senator Ron Wieck, Co-chair
Representative Dwayne Alons, Chair and
Members of the Oversight Committee
State Capitol
Des Moines, Iowa 50319

Dear Co-Chairmen Courtney and Wieck, Charman Alons and Members of
the Oversight Committee,

The purpose of this letter is to report the actions of the Governor's Office regarding the disposition of funds raised to support the 2005 National Governors Association (NGA) Annual Meeting in Des Moines, Iowa, and to answer the questions you have posed to staff at the Department of Economic Development and to Elisabeth Buck of our office.

After all the bills have been paid, there remains approximately \$278,000 in the IDED Foundation largely from Governor Vilsack's fundraising from private sources for the event. Since members of the Host Committee provided many services and worked hundreds of hours outside of their normal work days to ensure the success of the Annual Meeting, some thought was given to using the remaining funds to pay Host Committee members for their extra work and hours. Some Committee members were state workers and some were not.

I sought guidance from the Auditor regarding appropriate documentation of the proposed expenditures. When Auditor Vaudt advised me of the difficulty distinguishing the day to day work of state employee Committee members, from the extra work they performed outside of their normal duties on evenings and weekends, we dropped the idea of paying them for their extraordinary service. As you know, meeting participants and Des Moines community leaders described the event as generating significant hotel and restaurant revenue, and as a tremendous success, due largely to the work of the Host Committee members.

At the upcoming Foundation Board meeting, we have asked the Board to authorize the remaining funds to be used to 1) repay the \$100,000 appropriated from the general fund by the 2005 General Assembly that was given to the City of Des Moines for event security, and 2) contribute the balance of the remaining funds to the Iowa State Fair Blue Ribbon Foundation.

Finally, separate from NGA funds, the Commissioner of Public Safety authorized extra pay from his department's budget for Host Committee member Captain Gary Nieuwsma, for his success coordinating event security with state and local governments. If you have questions about this payment, please contact Commissioner Kevin Techau.

In conclusion, no payments from NGA funds were made for the extra work of Host Committee members, and upon IDED Foundation Board action, no NGA funds will remain.

Sincerely,

A handwritten signature in blue ink, reading "Cynthia P. Eisenhauer".

Cynthia P. Eisenhauer